

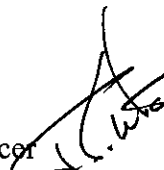


FAIRFAX COUNTY PARK AUTHORITY

M E M O R A N D U M



TO: Chairman and Members
Park Authority Board

VIA: Timothy K. White, Chief Operating Officer 

FROM: Miriam Morrison, Chief Financial Officer
Administration Division

DATE: September 21, 2006

Agenda

Administration, Management and Budget Committee
Wednesday, September 27, 2006 – 6:30 p.m.
Board Room – Herrity Building
Chairman: Kenneth G. Feng

1. Senior Fee Update and Authorization to Implement Next Phase of Adjustment - Information*

*Enclosures

cc: Michael A. Kane
Leadership Team

This page was intentionally left blank.

INFORMATION -

Senior Fee Update and Authorization to Implement Next Phase of Adjustment

On March 9, 2005, the Board approved the following plan to modify the senior discount:

1. Phase in a reduced senior discount level over a five-year period by reducing the discount from 50% to 45% in 2005, 40% in 2007, and 35% in 2009.
2. Increase the age of eligibility for the senior discount from 60 to 65 over a five year period.
3. Have staff evaluate and report to the Board related usage impacts prior to proceeding with each successive stage of implementation.

To date, the following phases have been implemented:

1. Discount reduced from 50% to 45% effective May 1, 2005.
2. Eligibility age increased from 60 to 61 effective January 1, 2006.

Staff previously presented information on the usage impacts to the Board on October 12, 2005, and April 26, 2006. This is the third update.

Summary of Findings

The discount reduction applied primarily to four areas: RECenter passes, classes and general admission, and golf passes.

At this point, Senior pass sales and class registrations have increased overall with a positive effect on revenue. Senior general admissions at RECenters declined somewhat with a minor negative revenue impact. Seniors represent only about three percent of RECenter general admissions, as they tend to purchase discounted passes rather than pay daily admission fees.

In golf, fewer pass rounds were purchased, while revenue from those rounds increased by approximately 15% between 2004 and 2006.

Study Methodology and Results

For each of the four categories, an analysis was done of sale and revenue records for three comparable sale periods. Sales and revenue were evaluated between January 1 – August 31 each year. The first period (labeled 2004 in the chart below) was prior to any

Board Agenda Item
October 11, 2006

changes in the discount or age. The second period (2005) includes the effective date of the 45% discount rate (May 1, 2005). The third period (2006) includes the effective date of increasing the age from 60 to 61, which was implemented January 1, 2006.

Below are the key results:

	2004 (1/1/04-8/31/04)		2005 (1/1/05-8/31/05)		2006 (1/1/06-8/31/06)	
	Sales	Revenue	Sales	Revenue	Sales	Revenue
<u>RECenters</u>						
Senior Pass						
Months Sold	33,476	\$826,736	35,729	\$914,835	38,194	\$1,007,105
Sr. Class						
Registrations	6,467	\$499,852	6,317	\$499,525	7,162	\$541,172
Sr. General						
Admissions	6,574	\$27,513	6,669	\$29,486	5,708	\$26,945
<u>Golf</u>						
Sr. Rounds						
Sold	40,360	\$412,402	39,480	\$431,046	38,150	\$472,875

Next Steps

As per the approved plan, the next phases are:

1. Increase the eligibility age from 61 to 62 effective January 1, 2007.
2. Reduce the discount from 45% to 40% effective April 1, 2007.

Unless directed otherwise, staff will implement the next phases as scheduled, and provide the next update to the Board in September 2007.

ENCLOSED DOCUMENTS:

None.

STAFF:

Michael A. Kane, Director
Timothy K. White, Chief Operating Officer
Charles Bittenbring, Director, Park Services Division
Steve Lewis, Manager, Business Office, Park Services Division